

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In re: \_\_\_\_\_

Chapter 11 Case No.

**Lehman Brothers Holdings Inc., et al.,**

08-13555

\_\_\_\_\_  
Debtors.

**MAY 2013 POST-EFFECTIVE OPERATING REPORT**

MAY 2013

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

SCHEDULE OF PROFESSIONAL FEE AND EXPENSE DISBURSEMENTS

DEBTORS' ADDRESS: LEHMAN BROTHERS HOLDINGS INC.  
c/o MICHAEL S. LETO  
1271 AVENUE OF THE AMERICAS  
40th FLOOR  
NEW YORK, NY 10020

DEBTORS' ATTORNEYS: WEIL, GOTSHAL & MANGES LLP  
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767 FIFTH AVENUE  
NEW YORK, NY 10153

REPORT PREPARER: LEHMAN BROTHERS HOLDINGS INC., AS PLAN ADMINISTRATOR

Date: June 28, 2013

Indicate if this is an amended statement by checking here: AMENDED STATEMENT ☐

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**SCHEDULE OF DEBTORS**

The following entities (the “Debtors”) filed for bankruptcy in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) on the dates indicated below. On December 6, 2011, the Bankruptcy Court confirmed the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors (the “Plan”). On March 6, 2012, the “Effective Date” (as defined in the Plan) occurred. The Debtors’ Chapter 11 cases remain open as of the date hereof.

	<u>Case No.</u>	<u>Date Filed</u>
Lehman Brothers Holdings Inc. (“LBHI”) .....	08-13555	9/15/2008
LB 745 LLC.....	08-13600	9/16/2008
PAMI Statler Arms LLC.....	08-13664	9/23/2008
Lehman Brothers Commodity Services Inc. (“LBCS”) .....	08-13885	10/3/2008
Lehman Brothers Special Financing Inc. (“LBSF”) .....	08-13888	10/3/2008
Lehman Brothers OTC Derivatives Inc. (“LOT”).....	08-13893	10/3/2008
Lehman Brothers Derivative Products Inc. (“LBDP”) .....	08-13899	10/5/2008
Lehman Commercial Paper Inc. (“LCPI”).....	08-13900	10/5/2008
Lehman Brothers Commercial Corporation (“LBCC”) .....	08-13901	10/5/2008
Lehman Brothers Financial Products Inc. (“LBFP”) .....	08-13902	10/5/2008
Lehman Scottish Finance L.P. ....	08-13904	10/5/2008
CES Aviation LLC .....	08-13905	10/5/2008
CES Aviation V LLC.....	08-13906	10/5/2008
CES Aviation IX LLC .....	08-13907	10/5/2008
East Dover Limited .....	08-13908	10/5/2008
Luxembourg Residential Properties Loan Finance S.a.r.l.....	09-10108	1/7/2009
BNC Mortgage LLC .....	09-10137	1/9/2009
LB Rose Ranch LLC .....	09-10560	2/9/2009
Structured Asset Securities Corporation.....	09-10558	2/9/2009
LB 2080 Kalakaua Owners LLC .....	09-12516	4/23/2009
Merit LLC .....	09-17331	12/14/2009
LB Somerset LLC.....	09-17503	12/22/2009
LB Preferred Somerset LLC.....	09-17505	12/22/2009

**The Company has established an email address to receive questions from readers regarding this presentation. The Company plans to review questions received and for those subjects which the Company determines a response would not (i) violate a confidentiality provision, (ii) place the Company in a competitive or negotiation disadvantage, or (iii) be unduly burdensome, the Company shall endeavor to post a response (maintaining the anonymity of the question origination) on the Epiq website maintained for the Company: [www.lehman-docket.com](http://www.lehman-docket.com). The Company assumes no obligation to respond to e-mail inquiries. Please email questions in clear language with document references to QUESTIONS@lehmanholdings.com.**

**LEHMAN BROTHERS HOLDINGS INC. AND OTHER DEBTORS AND DEBTOR-CONTROLLED ENTITIES**

**BASIS OF PRESENTATION  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS  
MAY 1, 2013 – MAY, 31 2013**

The information and data included in this May 2013 Post-Effective Operating Report (the “Operating Report”) are derived from sources available to Lehman Brothers Holdings Inc. (“LBHI”), as Plan Administrator, and its Controlled Entities (collectively, the “Company”). The term “Controlled Entities” refers to those entities that are directly or indirectly controlled by LBHI, and excludes, among others, those entities that are under separate administrations in the United States or abroad and excludes Aurora Commercial Corp. (formerly known as Aurora Bank FSB), which is indirectly controlled by LBHI. LBHI and certain of its Controlled Entities filed for protection under Chapter 11 of the Bankruptcy Code, and those entities are referred to herein as the “Debtors”. The Debtors’ Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. LBHI has prepared this Operating Report, which includes certain information as required by the Office of the US Trustee, based on the information available to LBHI at this time, but notes that such information may be incomplete and may be materially deficient in certain respects. This Operating Report is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. LBHI reserves all rights to revise this report.

**Other items:**

1. This Operating Report is not prepared in accordance with U.S. generally accepted accounting principles (GAAP), is not audited and will not be subject to audit or review by the Company’s external auditors at any time in the future. Cash balances and activity denominated in foreign currencies have been converted to US Dollars.
2. Beginning and ending balances include demand deposits, interest-bearing deposits with banks, U.S. and foreign money-market funds, U.S. government obligations, U.S. government guaranteed securities, investment grade corporate bonds and commercial paper, and AAA-rated asset-backed securities secured by auto loans and credit card receivables.
3. Beginning and ending cash balances are based on preliminary closing numbers and are subject to adjustment.
4. Beginning and ending cash and investment balances exclude the following:
  - Cash posted as collateral for hedging activity;
  - Cash related to LBHI’s wholly-owned indirect subsidiary Aurora Commercial Corp.; and
  - Cash held at real estate owned properties or at third party real estate managers.

5. Restricted cash balances are based on preliminary estimates and are comprised of the following items as of May 31, 2013:

(\$ in millions)	Debtors					Debtor- Controlled Entities	Total Debtors and Debtor- Controlled Entities
	LBHI	LBSF	LCPI	Other	Total		
Reserves for Claims:							
Disputed unsecured claims <sup>(1)</sup>	\$ 2,108	\$ 2,528	\$ 28	\$ 1,227	\$ 5,891	\$ -	\$ 5,891
Priority tax claims	2,198	117	0	5	2,320	-	2,320
Distributions on Allowed Claims (not remitted) <sup>(2)</sup>	170	55	220	3	449	-	449
Secured, Admin, Priority Claims and Other <sup>(3)</sup>	1,367	14	80	23	1,483	-	1,483
Subtotal, Claims Reserves	5,843	2,714	328	1,258	10,143	-	10,143
Cash pledged to JPMorgan (CDA) <sup>(4)</sup>	316	-	-	-	316	-	316
Citigroup and HSBC <sup>(5)</sup>	2,038	-	-	-	2,038	-	2,038
LB Bancorp <sup>(6)</sup>	-	-	-	-	-	26	26
Other <sup>(7)</sup>	283	1	51	32	367	39	406
<b>Total</b>	<b>\$ 8,480</b>	<b>\$ 2,714</b>	<b>\$ 379</b>	<b>\$ 1,290</b>	<b>\$ 12,863</b>	<b>\$ 65</b>	<b>\$ 12,928</b>

Totals may not foot due to rounding.

- (1) Represents the cash reserve for disputed unsecured claims after the third Plan distribution on April 4, 2013.
- (2) Represents unpaid Plan distributions to holders of Allowed Claims of approximately \$372 million for distributions held pending resolution on various items described in settlement agreements with certain Non-Controlled Affiliates and approximately \$77 million related to (i) claimants who failed to submit the proper taxpayer identification number forms and/or Office of Foreign Asset Control ("OFAC") forms and (ii) resolution of other open items.
- (3) Includes approximately \$1.2 billion reserved at LBHI for a disputed claim of the Federal Home Loan Mortgage Corporation that was asserted with priority status, \$186 million related to post-petition intercompany payables, \$19 million related to disputed secured claims, \$4 million related to administrative claims and \$68 million related to other administrative activity and other.
- (4) Represents \$316 million of cash deposited into accounts by LBHI and pledged to JPMorgan (and its affiliates, "JPM") pursuant to paragraph 6(b) of the Collateral Disposition Agreement ("CDA") with JPM effective March 31, 2010; related to, but not limited to, clearance exposures and derivative exposures pending resolution of these items.
- (5) Represents cash deposited on or prior to September 15, 2008 by the Company in connection with certain requests and/or documents executed by the Company and Citibank N.A. of approximately \$2 billion and HSBC Bank PLC of \$31 million, including interest earned thereon. The Company is in discussion with HSBC Bank and commenced litigation against Citigroup regarding these deposits, among other things.
- (6) Represents cash at Lehman Brothers Bancorp Inc. ("LBB"), formerly a savings and loan holding company, related to certain guarantee agreements entered into by LBB in connection with various Aurora Bank FSB asset sales. On June 5, 2013, Aurora Bank FSB surrendered its federal savings bank charter and merged into Aurora Commercial Corp, a newly formed non-bank subsidiary of LBB. As a result, LBB no longer directly or indirectly controls any savings association or other insured depository institution and was released from registration as savings and loan holding company.
- (7) Other includes (i) various pre-petition balances on administrative hold by certain financial institutions of \$105 million; (ii) asserted misdirected wires and other cash received by LBHI for the benefit of third

parties and Non-Controlled Affiliates of approximately \$95 million; (iii) cash collected by LCPI on behalf of a third party of \$47 million related to a loan participation agreement; (iv) net cash collections on assets reported on the books of LBHI and LCPI related to Intercompany-Only Repurchase transactions of approximately \$29 million; (v) cash received by LBHI related to securities transferred to LBHI under the CDA with JPM of approximately \$55 million; and (vi) other miscellaneous items of \$75 million.

Restricted cash balances herein do not include other cash reserves required for operating expenses, asset preservation and other commitments (e.g. unfunded loans or anticipated investments).

**LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities**  
**Summary Schedule of Cash Receipts and Disbursements**  
**May 1, 2013 - May 31, 2013**

Unaudited (\$ in millions, foreign currencies reflected in USD equivalents)

	Debtors					Debtor-Controlled Entities			Total Debtors and Debtor- Controlled Entities
	LBHI	LBSF	LCPI	Other	Total	LB I Group	Other	Total	
<b>Beginning Free Cash and Investments (5/1/13)</b>	<b>\$ 430</b>	<b>\$ 149</b>	<b>\$ 299</b>	<b>\$ 30</b>	<b>\$ 907</b>	<b>\$ 120</b>	<b>\$ 1,186</b>	<b>\$ 1,307</b>	<b>\$ 2,214</b>
Restricted Cash	8,469	2,717	379	1,290	12,854	12	51	63	12,917
<b>Beginning Total Cash and Investments</b>	<b>8,899</b>	<b>2,866</b>	<b>677</b>	<b>1,319</b>	<b>13,761</b>	<b>132</b>	<b>1,237</b>	<b>1,369</b>	<b>15,131</b>
<b>Sources of Cash</b>									
Commercial Real Estate	45	-	8	-	53	-	2,067	2,067	2,120
Loans (Corporate and Residential)	15	-	58	-	73	-	10	10	82
Private Equity / Principal Investing	18	-	0	-	18	29	3	33	51
Derivatives	11	183	-	6	200	-	27	27	226
Receipts from Affiliates	100	120	-	5	225	-	1	1	226
Other	54	(1)	14	(1)	67	0	1	2	68
<b>Total Sources of Cash</b>	<b>243</b>	<b>302</b>	<b>81</b>	<b>10</b>	<b>636</b>	<b>30</b>	<b>2,109</b>	<b>2,138</b>	<b>2,774</b>
<b>Uses of Cash</b>									
Non-Operating									
Commercial Real Estate	(0)	-	(1)	(0)	(1)	-	(9)	(9)	(10)
Loans (Corporate and Residential)	(0)	-	(0)	-	(0)	-	-	-	(0)
Private Equity / Principal Investing	-	-	-	-	-	(2)	-	(2)	(2)
Payments to Creditors	(0)	(18)	-	-	(18)	-	(1)	(1)	(19)
Other	(3)	-	-	(0)	(3)	-	(0)	(0)	(3)
Operating Expenses	(23)	(0)	(0)	(0)	(23)	(0)	(2)	(2)	(25)
<b>Total Uses of Cash</b>	<b>(26)</b>	<b>(18)</b>	<b>(1)</b>	<b>(0)</b>	<b>(45)</b>	<b>(2)</b>	<b>(12)</b>	<b>(14)</b>	<b>(58)</b>
<b>Net Cash Flow</b>	<b>217</b>	<b>284</b>	<b>79</b>	<b>10</b>	<b>591</b>	<b>28</b>	<b>2,097</b>	<b>2,125</b>	<b>2,715</b>
Inter-Company Transfers, Net	643	3	1,155	17	1,817	-	(1,817)	(1,817)	0
Transfers from (to) Securitization Trustee	-	-	(71)	-	(71)	-	-	-	(71)
Loan Agencies, Net	-	-	1	-	1	-	-	-	1
FX Fluctuation	(1)	(0)	(1)	(0)	(2)	(0)	(3)	(3)	(6)
<b>Ending Total Cash and Investments</b>	<b>9,758</b>	<b>3,153</b>	<b>1,841</b>	<b>1,346</b>	<b>16,097</b>	<b>160</b>	<b>1,514</b>	<b>1,674</b>	<b>17,771</b>
Restricted Cash	(8,480)	(2,714)	(379)	(1,290)	(12,863)	(12)	(53)	(65)	(12,928)
<b>Ending Free Cash and Investments (5/31/13)</b>	<b>\$ 1,278</b>	<b>\$ 438</b>	<b>\$ 1,461</b>	<b>\$ 56</b>	<b>\$ 3,234</b>	<b>\$ 148</b>	<b>\$ 1,461</b>	<b>\$ 1,609</b>	<b>\$ 4,843</b>

All values that are exactly zero are shown as "-". Values between zero and \$0.5 million appear as "0".  
Totals may not foot due to rounding.

**LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities**  
**Schedule of Cash Receipts and Disbursements**  
**May 1, 2013 - May 31, 2013**

Unaudited (\$ in millions, foreign currencies reflected in USD equivalents)

	Debtors					Debtor-Controlled Entities			Total Debtors and Debtor- Controlled Entities
	LBHI	LBSF	LCPI	Other	Total	LB I Group	Other	Total	
<b>Beginning Free Cash and Investments (5/1/13)</b>	<b>\$ 430</b>	<b>\$ 149</b>	<b>\$ 299</b>	<b>\$ 30</b>	<b>\$ 907</b>	<b>\$ 120</b>	<b>\$ 1,186</b>	<b>\$ 1,307</b>	<b>\$ 2,214</b>
Restricted Cash	8,469	2,717	379	1,290	12,854	12	51	63	12,917
<b>Beginning Total Cash and Investments</b>	<b>8,899</b>	<b>2,866</b>	<b>677</b>	<b>1,319</b>	<b>13,761</b>	<b>132</b>	<b>1,237</b>	<b>1,369</b>	<b>15,131</b>

**Sources of Cash**

Commercial Real Estate									
Principal	(a)	44	-	7	-	51	-	2,066	2,118
Interest		1	-	1	-	2	-	1	3
Loans (Corporate and Residential)									
Principal	(b)	11	-	57	-	68	-	7	76
Interest		4	-	1	-	4	-	2	7
Private Equity / Principal Investing									
Principal	(c)	14	-	-	-	14	29	3	47
Interest and Dividends		4	-	0	-	4	-	-	4
Derivatives									
Return / (Posting) of Hedging Collateral, net		-	25	-	-	25	-	2	27
Collections from Live / Terminated Trades	(d)	11	145	-	6	162	-	24	186
Other		-	13	-	-	13	-	-	13
Receipts from Affiliates									
Distributions from Non-Controlled Affiliates	(e)	100	120	-	5	225	-	1	226
Other									
Other	(f)	54	(1)	14	(1)	67	0	1	68
<b>Total Sources of Cash</b>		<b>243</b>	<b>302</b>	<b>81</b>	<b>10</b>	<b>636</b>	<b>30</b>	<b>2,109</b>	<b>2,774</b>

All values that are exactly zero are shown as "-". Values between zero and \$0.5 million appear as "0".  
Totals may not foot due to rounding.

**LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities**  
**Schedule of Cash Receipts and Disbursements**  
**May 1, 2013 - May 31, 2013**

Unaudited (\$ in millions, foreign currencies reflected in USD equivalents)

		Debtors				Debtor-Controlled Entities			Total Debtors and Debtor-Controlled Entities
		LBHI	LBSF	LCPI	Other	Total	LB I Group	Other	Total
Uses of Cash									
Non-Operating									
Commercial Real Estate									
Preservation of Assets		(0)	-	(1)	(0)	(1)	-	(9)	(9)
Loans (Corporate and Residential)									
Preservation of Assets		(0)	-	(0)	-	(0)	-	-	(0)
Private Equity / Principal Investing									
Capital Calls		-	-	-	-	-	(2)	-	(2)
Payments to Creditors									
Payments to Creditors	(g)	(0)	(18)	-	-	(18)	-	-	(18)
Payments to Creditors - Non Controlled Affiliates		(0)	-	-	-	(0)	-	(1)	(1)
Other									
Other		(3)	-	-	(0)	(3)	-	(0)	(3)
Operating Expenses									
Compensation and Benefits	(i)	(9)	-	-	-	(9)	-	(0)	(9)
Professional Fees		(9)	(0)	(0)	-	(10)	-	(1)	(11)
Other	(j)	(5)	(0)	(0)	(0)	(5)	(0)	(0)	(5)
Total Uses of Cash		(26)	(18)	(1)	(0)	(45)	(2)	(12)	(58)
Net Cash Flow									
		217	284	79	10	591	28	2,097	2,715
Inter-Company Receipts									
Inter-Company Receipts	(k)	753	8	1,225	17	2,003	-	539	2,542
Inter-Company Disbursements									
Inter-Company Disbursements	(k)	(110)	(5)	(70)	-	(185)	-	(2,357)	(2,542)
Transfers from (to) Securitization Trustee									
Transfers from (to) Securitization Trustee	(l)	-	-	(71)	-	(71)	-	-	(71)
Loan Agencies, Net									
Loan Agencies, Net		-	-	1	-	1	-	-	1
FX Fluctuation									
FX Fluctuation		(1)	(0)	(1)	(0)	(2)	(0)	(3)	(6)
Ending Total Cash and Investments	(m)	9,758	3,153	1,841	1,346	16,097	160	1,514	17,771
Restricted Cash		(8,480)	(2,714)	(379)	(1,290)	(12,863)	(12)	(53)	(12,928)
Ending Free Cash and Investments (5/31/13)		\$ 1,278	\$ 438	\$ 1,461	\$ 56	\$ 3,234	\$ 148	\$ 1,461	\$ 4,843

All values that are exactly zero are shown as "-". Values between zero and \$0.5 million appear as "0".

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities  
Schedule of Cash Receipts and Disbursements  
May 1, 2013 - May 31, 2013

Unaudited (\$)

**Notes:**

- (a) Cash collections for Debtor-Controlled Entities - Other primarily includes approximately \$1.9 billion from the secondary offering of 7.9 million and 15.1 million common shares of AvalonBay Communities Inc. (NYSE: AVB) and Equity Residential (NYSE: EQR), respectively. These proceeds were subsequently transferred through a series of inter-company transactions as detailed in note (k) below.
- (b) Cash collections primarily reflect cash received from sales, matured loans and principal paydowns related to Corporate and Residential Loan assets.
- (c) Cash collections primarily relate to redemptions and distributions from GP and LP stakes in hedge funds and private equity funds.
- (d) Collections from Live / Terminated Trades are shown net of purchases of SPV notes.
- (e) Distributions from Non-Controlled Affiliates includes distributions from Lehman Brothers Treasury Co. B.V. of \$120 million and \$5 million to LBSF and LBCS, respectively. LBHI receipts primarily include \$50 million from LB RE Financing No.2 Limited and \$36 million from Lehman Brothers Investments PTE Ltd.
- (f) Other cash collections include interest of approximately \$7 million, fluctuations related to the net return / (posting) of collateral for foreign currency hedging and other miscellaneous assets sales and recoveries.
- (g) Includes a payment to collateralized noteholders related to cash collected on derivatives trades during the month of May.
- (h) A portion of the Operating Expenses paid by LBHI is subject to allocations to, and reimbursement from, various Controlled Entities.
- (i) Compensation and Benefits includes Company's employee expenses as well as fees paid to Alvarez & Marsal (A&M).
- (j) Operating Expenses - Other includes expenses related to outsourced services, IT, occupancy, taxes, insurance and other general administrative items.
- (k) Inter-Company transactions primarily include the following:
  - (1) the transfer of approximately \$1.9 billion from Jupiter Enterprise LP to (i) LCPI of approximately \$830 million (primarily through its wholly-owned subsidiaries ACQ SPV Paper LLC I and II), (ii) SASCO 2008 C-2 LLC ("SASCO") of approximately \$420 million, (iii) LBHI of approximately \$250 million (primarily through its wholly-owned subsidiary ACQ SPV I Holdings LLC), (iv) Lux Residential Properties Loan Finance SARL ("LUXCO") of approximately \$330 million and (v) other Debtor-Controlled Entities of approximately \$110 million;
  - (2) SASCO distribution to LBHI and LCPI in the amounts of approximately \$75 million and \$345 million, respectively, based on LBHI's preferred interest and LCPI's preferred and equity interest in SASCO;
  - (3) LUXCO repayment to LBHI of an intercompany note of \$286 million.
- (l) Transfers from (to) Securitization Trustee include cash outflows to the Verano Securitization Trustee for proceeds received on underlying collateral, \$48 million of which was collected in the previous month. Cash collections on the underlying collateral are presented in "Sources of Cash."
- (m) Ending Total Cash and Investments for Debtor-Controlled Entities - Other includes \$423 million of cash balances at Controlled Entities in Asia.

**LEHMAN BROTHERS HOLDINGS INC. AND OTHER DEBTORS AND DEBTOR-CONTROLLED ENTITIES**

**BASIS OF PRESENTATION  
SCHEDULE OF PROFESSIONAL FEE AND EXPENSE DISBURSEMENTS  
MAY 1, 2013 – MAY 31, 2013**

The information and data included in this May 2013 Post-Effective Operating Report (the “Operating Report”) are derived from sources available to Lehman Brothers Holdings Inc. (“LBHI”), as Plan Administrator and its Controlled Entities (collectively, the “Company”). The term “Controlled Entities” refers to those entities that are directly or indirectly controlled by LBHI, and excludes, among others, those entities that are under separate administrations in the United States or abroad, and Aurora Commercial Corp., which is indirectly controlled by LBHI. LBHI and certain of its Controlled Entities had filed for protection under Chapter 11 of the Bankruptcy Code, and those entities are referred to herein as the “Debtors”. The Debtors’ Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. LBHI has prepared this Operating Report, including certain information as required by the Office of the United States Trustee, based on the information available to LBHI at this time, but note that such information may be incomplete and may be materially deficient in certain respects. This Operating Report is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. LBHI reserves all rights to revise this report.

1. This Operating Report is not prepared in accordance with U.S. generally accepted accounting principles (GAAP), is not audited and will not be subject to audit or review by the Company’s external auditors at any time in the future.
2. The professional fee disbursements presented in this report reflect the date of actual cash payments to professional service providers. The Company has incurred additional professional fee expenses during the reporting period that will be reflected in future Operating Reports as cash payments are made to providers.
3. The professional fee disbursements presented in this report have primarily been paid by LBHI; a portion of these fees have been and will be allocated to Debtors and certain Controlled Entities based on the dedicated costs associated with each entity and an allocation methodology.
4. This Operating Report includes disbursements for services rendered on or prior to March 6, 2012 (“Pre-Effective Date”) and subsequent to March 6, 2012 (“Post-Effective Date”). Professional fees incurred Post- Effective Date are paid in accordance with the terms of the engagement of each professional as agreed to with LBHI, as Plan Administrator.

LEHMAN BROTHERS HOLDINGS INC. and Other Debtors and Other Controlled Entities  
Schedule of Professional Fee and Expense Disbursements  
May 2013

Unaudited (\$ in thousands)

		May-2013	Year-to-date
Alvarez & Marsal LLC	Interim Management	\$ 4,702	\$ 22,787
<b>Post-Effective Date Professional Fees</b>			
Bickel & Brewer	Special Counsel - Real Estate	2,104 (a)	2,414
Bingham McCutchen LLP	Special Counsel - Tax	-	1,299
Curtis, Mallet-Prevost, Colt & Mosle LLP	Conflicts and Litigation Counsel	-	2,242
Dechert LLP	Special Counsel - Real Estate	126 (a)	1,301
Epiq Bankruptcy Solutions LLC	Claims Management and Noticing Agent	-	1,678
FTI Consulting Inc.	Financial Advisor - Creditors & Tax	205 (a)	1,471
Houlihan Lokey Howard & Zukin Capital Inc.	Investment Banking Advisor	-	109
Jones Day	Special Counsel - Asia and Domestic Litigation	443	978
Milbank Tweed Hadley & McCloy LLP	Lead Counsel - Creditors	-	2,129
Pachulski Stang Ziehl & Jones	Special Counsel - Real Estate	163 (a)	1,500
Paul, Hastings, Janofsky & Walker LLP	Special Counsel - Real Estate	55 (a)	1,130
Quinn Emanuel Urquhart Oliver & Hedges LLP	UCC Litigation Committee and Litigation Counsel	719 (a)	1,283
Reilly Pozner LLP	Special Counsel - Mortgage Litigation and Claims	140	922
Skadden, Arps, Slate, Meagher & Flom LLP	Board of Directors Counsel	515 (a)	1,068
Weil Gotshal & Manges LLP	Lead Counsel - Debtors	-	20,091
Wollmuth Maher & Deutsch LLP	Special Counsel - Derivatives	192	623
US Trustee Quarterly Fees		-	322
Other Professionals - Legal	Various	3,955 (b)	14,643
Other Professionals - Non-Legal	Various	1,509 (b)	5,966
Other Professionals - Asia	Various	428 (b)	1,416
Sub-total Post-Effective Professional Fees		10,554	62,584
<b>Total Post-Effective Date Professional Fees</b>		<b>15,255</b>	<b>85,371</b>
Alvarez & Marsal LLC	Incentive fees	-	16,994 (c)
Houlihan Lokey Howard & Zukin Capital Inc.	Incentive fees	-	3,398 (c)
<b>Total Incentive Fees</b>		-	<b>20,392</b>
<b>Total Pre-Effective Professional Fees</b>		-	<b>2,342</b>
<b>Total Pre and Post-Effective Date and Incentive Professional Fees</b>		<b>\$ 15,255</b>	<b>\$ 108,105</b>

(a) Reflects professional fees incurred for multiple months.

(b) Includes disbursements to over 100 vendors of which the majority of these payments were less than \$150,000.

(c) Reflects incentive fees related to the Third Distribution to holders of Allowed Claims. Refer to Docket No. 32470 and Docket No. 32155 for additional information on Alvarez & Marsal and Houlihan Lokey incentive fees, respectively.